

April 23, 2021

Suzanne Mooney  
Louisiana Board of Governmental Ethics  
P.O. Box 4368  
Baton Rouge, LA 70821

Re: Supplement to Request for Advisory Opinion

Dear Sue:

W. Jeff Reynolds, through undersigned counsel, respectfully requests an Advisory Opinion regarding the application of the Louisiana Code of Governmental Ethics (Ethics Code), based on the following facts:

### **I. Background Facts**

From July 2018 through February 2021, W. Jeff Reynolds served as the Vice Chancellor for Administrative & Finance for LSU Health Services Center-Shreveport ("LSUHSC-S"). As Vice Chancellor, Mr. Reynolds supervises the budget, financial reporting, facilities management, supply chain management, auxiliary enterprises, human resources and information technology.

In 2018, LSUHSC-S and Ochsner LSU Health System of North Louisiana (OLHS-NL), a private, nonprofit corporation, entered into a cooperative endeavor agreement, to operate the hospitals previously operated by LSU in Shreveport and Monroe. With the Public/Private Partnership in Shreveport, LSU contracted out the day-to-day management of the Hospitals and clinics to the Hospital partner. The partner is responsible for the submission of claims to LDH for the services to the State's Medicaid program. Additionally, OLHS-NL has a Board of Directors that represents Ochsner LSU Health Shreveport stakeholders and manages the business affairs of the partnership organization. The Board of Directors is comprised of 10 Directors. The President of LSU appoints five Directors, and the Ochsner Health System appoints five Directors. Four appointees, two from each organization, serve as Community Directors. In his role as an employee of LSUHSC-S, Mr. Reynolds served on the Board of Directors from December 5, 2018 until his resignation in December 2020.

Title 42 CFR § 431.10 requires each State has a Single State Agency that manages the State's Medicaid program. In Louisiana, the Single State Agency is the Louisiana Department of Health (LDH) and it is the public entity within Louisiana that is responsible for managing the day-to-day operations of the Medicaid Program. It has been over 2 years since I was employed at LDH.

The Medicaid Program is currently a \$15 billion program that provides health coverage to 1.6 million Louisiana citizens that qualify for the program. LDH does not provide Medicaid services to the clients, but enrolls Medical providers into the program to provide qualified services to Medicaid eligible clients.

LSUHSC-S Doctors are enrolled in the Medicaid program to provide services to Medicaid clients, but they are not managing or running the Medicaid program, they are just like the thousands of other Medical Providers across the State that provides services to the 1.6 million clients in the Medicaid program.

With the Public/Private Partnership in Shreveport, LSU contracted out the day-to-day management of the Hospitals and clinics to the Hospital partner. The partner is responsible for the submission of claims to LDH for the services to the State's Medicaid program.

In Mr. Reynold's role at Ochsner, he will not engage any of the offices in his former chain of command for anything related to LSU's Medicaid/Medicare hospital cost reports or LSU's Medicaid billings related to their health care services being provided through the schools Emerging Viral Threats Lab.

Mr. Reynolds resigned from his position with LSUHSC-S in February 2021 and became an employee with Ochsner Health System on March 15, 2021. In his employment with Ochsner, Mr. Reynolds will assist Ochsner and the network of thirty-one hospitals in the state in the financing and management of Medicaid reimbursements, the development of a methodology to maximize Medicaid reimbursement, as well as consulting and interfacing with public officials and other persons in creating and effecting legislation regarding Medicaid reimbursement rates.

## **II.Request for Advisory Opinion**

Can Mr. Reynolds be employed with Ochsner Health System upon the termination of his public employment with LSUHSC-S without violating the post-employment provisions of the Ethics Code?

## **III.Applicable Law**

La. R.S. 42:1121(A) prohibits a former agency head, for a period of two years following the termination of his (or her) public service as the head of such agency, from assisting another person, for compensation, in a transaction, or in an appearance in connection with a transaction, involving that agency or render any service on a contractual basis to or for such agency.

La. R.S. 42:1121(B) prohibits a former public employee, for a period of two years following the termination of his public employment, from assisting, for compensation, in a transaction in which such public employee participated at any time during his public employment and involving the governmental entity by which he was formerly employed, or from rendering any service which such former public employee had rendered to the agency during the term of his public employment on a contractual basis, regardless of the parties to the contract, to, for, or on behalf of the agency with which he was formerly employed.

#### **IV. Application of the Law to the Facts**

Mr. Reynolds was Vice Chancellor and was not a former agency head of LSUHSC-S, therefore Section 1121B of the Ethics Code is the applicable provision. To the extent the Ethics Board determines that he is an agency head, any services regarding Medicaid reimbursement that involved Mr. Reynold's former agency is the repository of to LSU's Medicaid/Medicare hospital cost reports or LSU's Medicaid billings related to their health care services being provided through the schools Emerging Viral Threats Lab. In Mr. Reynold's role at Ochsner, he will not engage any of the offices in his former chain of command for anything related to LSU's Medicaid/Medicare hospital cost reports or LSU's Medicaid billings related to their health care services being provided through the schools Emerging Viral Threats Lab.

Section 1121B prohibits a former public employee, for a period of two years following the termination of his public employment, from assisting a person, for compensation, in a transaction in which such public employee participated at any time during his public employment; or, from rendering any service which such public servant had rendered to his agency during the term of his public employment on a contractual basis.

Mr. Reynolds will not be assisting Ochsner in transactions involving LSUHSC-S in which he participated. Mr. Reynolds' primary duties as an Ochsner employee will be in connection with Medicaid reimbursements. Mr. Reynolds did not provide any services in connection with Medicaid reimbursement as an employee of LSUHSC-S, therefore, he is not prohibited from providing those services to Ochsner.

Because the services Mr. Reynolds will provide to Ochsner do not involve transactions in which Mr. Reynolds participated as an employee of LSUHSC-S, Mr. Reynolds is not prohibited by the post-employment provisions of the Ethics Code from being employed with Ochsner.

#### **V. Conclusion**

Based on the foregoing, we request that the Ethics Board issue an advisory opinion at its April 9, 2021 meeting, that W. Jeff Reynolds is not prohibited under the Ethics Code from being employed with Ochsner within two years of his termination of public service as an employee of LSUHSC-S.

Yours truly,

Alesia M. Ardoin